



Performance Plants Inc. Corporate Backgrounder

Performance Plants Inc. (PPI) is a world-leader in agricultural and biofuel technology development with field-tested proven technologies to help farmers, industry and biofuel users meet the challenges of feeding and fuelling the world.

As a leading agriculture biotechnology company and a global leader in agricultural and biofuel technology, PPI has identified and developed genetic technologies that weatherproof and enhance food and non-food biofuel crops through periods of drought and heat and allow them to grow on sub-standard soil, helping solve the key obstacles of feeding and fuelling the world – weather and environmental stresses.

To date, PPI has patented and produced crop plants that need less water and nutrients to grow, as a result, its food and non-food plants have either greater seed yield for enhanced food production or increased cellulosic biomass yield for biofuel, the clean energy alternative.

With over 100 issued and pending patents, the company's breakthrough Yield Protection Technology® ("YPT®") is at the heart of its suite of technologies. YPT® enables plants to better tolerate drought conditions and to recover faster when watered.

The company has licensed its breakthrough YPT® to some of the world's leading seed companies such as Bayer CropScience, Pioneer Hi-Bred, Syngenta, Stine, RiceTec and Scotts Miracle Gro. Combined, these companies control almost half of the North American seed market. The company is also developing plant traits in partnership with world leaders in the energy and manufacturing sectors.

PPI is privately held and was incorporated in 1995 based on biotechnology developed by its founders. It has since focused exclusively on gene discovery and crop development from an ever-expanding portfolio of technologies it continually discovers. It earns revenue from technology licenses and expects to be selling proprietary biomass crop varieties by 2011. Headquartered in Kingston, Ontario, PPI has research and development facilities in Kingston, Saskatoon, and Waterloo, New York.

PPI Unique Technology:

- What makes PPI's technology approach unique is that it identifies ways to improve a plant's existing genetics without adding non-plant genes. The company has successfully boosted the capacity of natural plants genes to resist drought or heat and to produce larger seed and biomass yields.

PPI Real World Example:

- PPI technologies don't just exist in a lab; they are used in the real world. For instance, on the biofuel side, PPI entered into a multiyear agreement with Lafarge Canada Inc. in 2008 to develop and grow clean energy biomass for use as fuel on less than ideal soil at the Lafarge Cement Plant in Bath, Ontario. A biomass test burn is planned for the fall of 2009.

Financing:

- PPI is privately held and completed its most recent \$13 million equity financing in July 2008, led by Ceres Global Ag Corp. of Toronto. Eastwood Capital Corp. was the other major investor in the financing. Ceres Global Ag Corp. was established in December 2007 to invest in leading global public and non-public agricultural businesses. It is listed on the TSX (TSX-CRP) and is managed by Front Street Capital and Muir Detlefsen & Associates Limited. Eastwood Capital Corp. is an investment holding company owned by William T. Holland of Toronto, Ontario. Other investors include a syndicate of private Boston investors, including Saturn Asset Management, and Montreal-based Endurseaux Inc.

The need for PPI Technology:

- Global climate change is reducing the planet's ability to produce enough food to feed its growing population. The problem, mostly, is water. There isn't enough to both nourish the world's expanding crops and replenish the supply. Today, 70% of the world's water is used in agriculture. As it is being consumed, the world's aquifers are drying out. At the same time, 65% of the world's food production is hampered by yield volatility. Countries such as Canada and the US, dependant on large 'dry land' growing areas (the US mid-west and Canadian prairies), face yield uncertainty on the order of 14-46%. Canadian and US grain yield can be cut in half by bad weather. Biotechnology can solve these issues. Performance Plants is at the forefront of this biotech green revolution and the market for PPI's technology is significant -- \$5 billion (US) a year and growing at an annual rate of 15%.

Biofuels – Tomorrow's Energy:

- Renewable fuels made from biological feedstocks (biofuels) rather than coal, oil or natural gas has attracted widespread interest from North American policy makers, investors and consumers. A key attraction of biofuels is the promise to address priorities such as energy security, climate change and rural economic development. PPI's Biomass Enhancing Technology (BET™) has revolutionary implications for biofuels production. Plants offer an almost limitless and renewable energy resource – biomass is essentially a vast battery that stores the sun's energy in the form of chemical bonds. PPI's Enhanced Conversion Technology (ECT™) is designed to provide a cost-effective way to convert biomass-bound energy into useful fuels such as cellulosic ethanol.